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HOUSE BILL 669

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY  
DANIEL P. SILVA

AN ACT

RELATING TO TRANSPORTATION; ENACTING THE REGIONAL TRANSIT  
AUTHORITY ACT; AUTHORIZING THE CREATION OF REGIONAL TRANSIT  
AUTHORITIES; PROVIDING THE POWERS AND DUTIES OF A REGIONAL  
TRANSIT AUTHORITY; AUTHORIZING THE IMPOSITION OF A GROSS  
RECEIPTS TAX; AUTHORIZING ISSUANCE OF REGIONAL TRANSIT REVENUE  
BONDS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1  
through 28 of this act may be cited as the "Regional Transit  
Authority Act".

Section 2. [NEW MATERIAL] PURPOSE. -- The purpose of the  
Regional Transit Authority Act is to:

- A. serve the public welfare by providing for the  
creation of a comprehensive network of safe, efficient and

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1 affordable public transportation within a metropolitan area;

2 B. provide a public transit system to reduce the  
3 congestion of single-occupancy motor vehicle passenger traffic  
4 in a metropolitan area by providing transportation options for  
5 residents;

6 C. decrease automobile accidents by reducing traffic  
7 congestion on freeways and streets;

8 D. reduce noise and air pollution produced by motor  
9 vehicles; and

10 E. provide residents with a choice of transportation  
11 alternatives, so that seniors, youth, low-income and mobility-  
12 impaired residents and others unable to drive or to afford an  
13 automobile continue to have full access to the goods, services  
14 and activities of the community.

15 Section 3. [NEW MATERIAL] DEFINITIONS. --As used in the  
16 Regional Transit Authority Act:

17 A. "authority" means a regional transit authority  
18 created pursuant to the provisions of the Regional Transit  
19 Authority Act;

20 B. "board" means a regional transit authority board;

21 C. "condemn" or "condemnation" means the acquisition  
22 of property or an interest in property by a regional transit  
23 authority through the exercise of the power of eminent domain;

24 D. "department" means the taxation and revenue  
25 department, the secretary of taxation and revenue or any

1 employee of the department exercising authority lawfully  
2 delegated to that employee by the secretary;

3 E. "high-occupancy vehicle" means any vehicle  
4 carrying more than one person, including buses, vans, cars and  
5 passenger trains;

6 F. "metropolitan area" means an area consisting of  
7 at least two contiguous counties, one of which has a  
8 municipality with a population in excess of twenty thousand;

9 G. "motor vehicle" means a self-propelled vehicle  
10 suitable for operation on highways;

11 H. "municipality" means any incorporated city, town  
12 or village, whether incorporated under general act, special act  
13 or special charter;

14 I. "person" means an individual or any other legal  
15 entity;

16 J. "principal city" means the city of largest  
17 population within a metropolitan area;

18 K. "public transit system" means a public transit  
19 network that transports passengers by means of high-occupancy  
20 vehicles that is created and administered by an authority;

21 L. "secretary" means the secretary of taxation and  
22 revenue; and

23 M. "regional transit gross receipts tax" means the  
24 gross receipts tax imposed pursuant to the Regional Transit and  
25 Authority Act.

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1           Section 4.   [NEW MATERIAL]   CREATION OF TRANSIT AUTHORITY--  
2 NOTICE AND HEARING. --

3           A.   The governing body of a principal city in a  
4 metropolitan area may institute proceedings to create an  
5 authority in the manner prescribed in the Regional Transit  
6 Authority Act.

7           B.   The proposed authority consists of the county in  
8 which the principal city is located and may include additional  
9 adjacent counties or municipalities in the metropolitan area  
10 outside of the county where the principal city is located,  
11 provided that the entirety of the territory of each county or  
12 municipality is included.

13           C.   Upon a finding that a metropolitan area lacks  
14 adequate public transportation infrastructure, a majority of the  
15 members of the governing body of the principal city may adopt a  
16 resolution proposing to create an authority, determining the  
17 territorial area of the proposed authority and fixing the time  
18 and place that the governing body will conduct a public hearing  
19 on the proposal.   The governing body of the principal city shall  
20 not adopt a resolution proposing creation of an authority  
21 without the concurrence of a majority of the members of the  
22 governing body of each county and municipality it proposes to  
23 include within that area.

24           D.   Notice of the time and place of the public  
25 hearing, including a copy of the resolution setting out the

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1 territorial area of the proposed authority, shall be sent by  
2 registered mail to the governing body and chief executive  
3 officer of each county and municipality included in the proposed  
4 authority area. Notice of the public hearing and a copy of the  
5 resolution shall be published by each county and municipality  
6 once a week for two consecutive weeks in at least one newspaper  
7 of general circulation in the metropolitan area. The first  
8 publication shall be not less than fifteen days prior to the  
9 date fixed for the hearing. Copies of the notice and resolution  
10 shall also be available upon request to interested persons in  
11 the metropolitan area.

12 E. At the public hearing, representatives of  
13 municipalities and counties in the metropolitan area and other  
14 interested persons may present evidence for or against the  
15 creation of the proposed authority and for or against the need  
16 for construction or expansion of a public transit system in the  
17 metropolitan area.

18 F. If, after hearing all evidence at the public  
19 hearing, the governing body of the principal city finds that the  
20 creation of an authority and the construction and operation of a  
21 public transit system is necessary for the public health and  
22 welfare and will benefit residents of the area, the governing  
23 body shall adopt a resolution proposing creation of the  
24 authority subject to approval by the voters at a confirmation  
25 election, naming the authority, prescribing the territorial area

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1 of the authority and providing for appointment of an interim  
2 board.

3 G. If, after hearing all evidence at the public  
4 hearing, the governing body of the principal city finds that the  
5 creation of the authority and the construction and operation of  
6 a public transit system in the metropolitan area are not  
7 necessary for the public health and welfare and would not  
8 benefit the residents of the metropolitan area, it shall not  
9 create the authority. The governing body shall not again adopt  
10 a resolution proposing creation of an authority for at least two  
11 years after the disapproval of the resolution by the voters.

12 H. If the principal city adopts a resolution  
13 proposing creation of an authority, it shall submit that  
14 resolution to the governing body of each county and municipality  
15 it proposes to include within the area of the authority. Each  
16 governing body included shall, within sixty days, approve or  
17 disapprove by resolution their inclusion in the proposed  
18 authority. Failure to adopt a resolution in favor of inclusion  
19 shall result in that jurisdiction being excluded in the initial  
20 confirmation election.

21 Section 5. [NEW MATERIAL] REGIONAL TRANSIT AUTHORITY  
22 BOARD.--The construction and operation of an authority and its  
23 properties shall be vested in a regional transit authority  
24 board. Board members shall be qualified electors who reside  
25 within the boundaries of the political subdivision of the

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1 authority that they represent.

2 Section 6. [NEW MATERIAL] REGIONAL TRANSIT AUTHORITY  
3 BOARD-- MEMBERSHIP AND TERMS OF OFFICE. --

4 A. An interim board shall be appointed by the  
5 political subdivision that it represents within thirty days  
6 after the date of the adoption of the resolution by the voters  
7 at the confirmation election. Interim board members shall serve  
8 until January 1 of the year following the general election at  
9 which the initial regular board members are elected. The  
10 appointed interim board members shall have the same proportional  
11 representation as the elected regular board members, and shall  
12 have the same powers and duties and be subject to the same  
13 provisions of the Regional Transit Authority Act as regular  
14 board members. Each interim board member serves at the pleasure  
15 of the appointing political subdivision.

16 B. Regular board members shall be elected at a  
17 special election to be conducted at the same time as the general  
18 election, with the initial regular members being elected at a  
19 special election conducted at the same time as the first general  
20 election after the confirmation election provided for in Section  
21 7 of the Regional Transit Authority Act. Board members shall  
22 serve terms of four years. Prior to the election of the  
23 permanent board, the interim board shall determine by lot which  
24 half of the regular members shall serve initial two- and four-  
25 year terms. After the initial election, all board members shall

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1 be elected for four-year terms.

2 C. A board shall consist of at least five members.  
3 The number of principal city members shall be no more than one  
4 less than a majority of membership on the board. Each political  
5 subdivision shall have one member. A municipality having a  
6 population of at least fifty thousand, as determined in the most  
7 recent federal decennial census shall have one additional member  
8 for each additional fifty thousand persons in the municipality.

9 D. Vacancies on the board shall be filled for the  
10 remainder of the term in the manner provided for the original  
11 appointment of the interim board. Upon expiration of the term  
12 of office of each member of the board, a member may seek office  
13 for the succeeding term.

14 E. Board members shall be reimbursed for per diem  
15 and mileage as provided for public officers in the Per Diem and  
16 Mileage Act.

17 F. Board members shall be residents of the political  
18 subdivisions that they represent, and qualified voters of the  
19 authority.

20 G. Members shall select annually from among their  
21 membership a chairman, a vice chairman and a secretary, and  
22 other officers as it deems necessary. No member of the board or  
23 officer of the authority shall have pecuniary interest in or  
24 benefit directly or indirectly from any contract or agreement to  
25 which the authority is a party.

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1           H. The board shall meet at least once a month for  
2 the purpose of transacting the business of the authority. In  
3 addition to regularly scheduled meetings, the chairman may call  
4 special meetings as may be necessary upon written notice at  
5 least ten days prior to the meeting. A majority of the members  
6 shall constitute a quorum of the board for the purpose of  
7 conducting its business and exercising its powers.

8           I. A member of the board may be removed from office  
9 for nonfeasance, misfeasance or malfeasance in office by the  
10 governing body that appointed that member or that represents the  
11 political subdivision that elected that member, or by a majority  
12 of the permanent board.

13           Section 7. [NEW MATERIAL] CONFIRMATION ELECTION. --

14           A. Within thirty days of its appointment, the  
15 interim board shall adopt a resolution calling for a  
16 confirmation election to be held within one hundred eighty days  
17 of the date the resolution calling for the election is adopted.  
18 The confirmation election shall be for the purpose of  
19 determining whether the creation of the authority shall be  
20 confirmed and the board authorized to impose a regional transit  
21 gross receipts tax at a rate not to exceed one-half of one  
22 percent of the gross receipts of persons engaging in business in  
23 the authority area, to fund a public transit system and provide  
24 public transit services in the metropolitan area.

25           B. The question submitted to the voters at the

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1 confirmation election shall be:

2 "Shall the creation of the (name of the authority),  
3 consisting of (names of counties and municipalities to be  
4 included), be confirmed and shall the board of the authority be  
5 authorized to impose a regional transit gross receipts tax in  
6 the amount of \_\_\_\_\_ percent of gross receipts not to exceed  
7 one-half of one percent of the gross receipts of persons  
8 engaging in business in the authority area, to fund a public  
9 transit system and provide public transit services in the  
10 metropolitan area? \_\_\_\_\_ Yes \_\_\_\_\_ No".

11 C. The election shall be conducted so that votes are  
12 separately tabulated and canvassed in each separate political  
13 subdivision in which the election is held.

14 D. Those counties or municipalities in which a  
15 majority of the voters voting on the question votes against the  
16 confirmation of the creation of the authority and the levy of  
17 the proposed tax shall not become part of the authority. Those  
18 political subdivisions where a majority of the voters voting on  
19 the question votes in favor of the creation of the authority and  
20 the levy of the proposed tax shall become part of the authority.

21 E. If the vote is not favorable in the principal  
22 city that initiated the confirmation election, the authority  
23 shall not be created, and the principal city shall not again  
24 propose to create an authority for a period of at least two  
25 years from the date of the confirmation election.

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1           F. The expense of calling and conducting the  
2 confirmation election shall be borne by the principal city  
3 proposing the authority. However, if the election results in  
4 the creation of an authority, the authority shall reimburse the  
5 principal city for all expenditures made in the course of  
6 calling and conducting the election within twelve months after  
7 the date on which collection of the tax for the authority  
8 begins.

9           G. At any time after the confirmation election, the  
10 board may call an election to increase the gross receipts tax  
11 levy for the purpose of expanding transit services. The expense  
12 of calling and conducting this election shall be borne by the  
13 authority. If a majority of the votes cast in the election  
14 favors an increase in the gross receipts tax, that additional  
15 tax shall be imposed. If a majority of the votes cast in the  
16 election does not favor an increase in the gross receipts tax,  
17 the additional tax shall not be imposed, and the authority shall  
18 not again propose to increase the tax for a period of at least  
19 two years from the date of that election.

20           H. The dates on which the authority shall be  
21 established, additional jurisdictions can join an authority or a  
22 jurisdiction can withdraw from an authority shall be January 1  
23 or July 1 immediately following the election.

24           Section 8. [NEW MATERIAL] POWERS OF THE AUTHORITY. --

25           A. An authority, when created and confirmed, shall

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1 constitute a public body corporate and politic, exercising  
2 governmental functions, having the power necessary to carry out  
3 the purposes of the Regional Transit Authority Act.

4 B. An authority may sue and be sued in all courts of  
5 competent jurisdiction.

6 C. An authority may adopt and use a seal of the  
7 authority.

8 D. An authority may fix the fiscal year for the  
9 authority.

10 E. An authority may acquire property by grant,  
11 purchase, gift, devise, lease or otherwise and may hold, use,  
12 sell, lease or dispose of real and personal property as it deems  
13 necessary for the full exercise of any of its powers pursuant to  
14 the provisions of the Regional Transit Authority Act.

15 F. An authority may acquire, construct, complete,  
16 develop, own, operate and maintain a public transit system  
17 within its boundaries, and both within and without the  
18 boundaries of municipalities. For the purpose of the system,  
19 the authority shall have the right to use the streets, highways  
20 and other public ways, and, with permission of the owner, to  
21 relocate or alter the construction of any street, highway, other  
22 public way, electric and telephone lines and properties,  
23 pipelines, conduits and other properties, whether publicly or  
24 privately owned, if deemed necessary by the authority in the  
25 construction, reconstruction, repair, maintenance and operation

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1 of the system. Any damage that may occur to the property shall  
2 be borne by the authority.

3 G. An authority may enter into agreements with any  
4 other public or private utility, communication system, common  
5 carrier or transportation system for the joint use of their  
6 respective facilities or properties within the authority and to  
7 establish routes, joint fares or transfer of passengers.

8 H. An authority may enter into contracts, leases and  
9 agreements with and accept grants and loans from the federal  
10 government, its departments and agencies, and the state and any  
11 of its political subdivisions. A revenue bond indenture may  
12 provide limitations upon the exercise of the powers stated in  
13 this section, and the limitations shall apply as long as any  
14 revenue bonds issued pursuant to this indenture are outstanding  
15 and unpaid.

16 I. An authority may propose for the construction,  
17 operation and maintenance of a public transit system, the  
18 imposition of an excise tax on any person engaging in business  
19 in the authority area, which shall not exceed a rate of one-half  
20 of one percent of the gross receipts of persons engaging in  
21 business in the authority.

22 J. An authority may sell, lease, convey or otherwise  
23 dispose of any of its rights, interests or real or personal  
24 properties or surplus material not needed for the efficient  
25 operation and maintenance of the public transit system.

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1           K. An authority may lease the public transit system  
2 or any part of the system, or contract for the use or operation  
3 of the system by an operator; provided that a lease for  
4 operation of the entire system shall be subject to the written  
5 consent and approval of the governing body of the principal  
6 city.

7           L. An authority shall establish and maintain rates,  
8 fares, tolls, charges, rents or other compensation for the use  
9 of the facilities of the public transit system constructed,  
10 operated and maintained by the authority, which shall be  
11 reasonable and nondiscriminatory, and shall, together with the  
12 transit gross receipts tax, be adequate to meet its financial  
13 obligations.

14           M. An authority shall, by resolution, adopt rules  
15 governing the use, operation and maintenance of the public  
16 transit system and shall determine all routings whenever it is  
17 deemed advisable by the authority.

18           N. An authority may contract with any municipality  
19 or county to provide public transit services to any area outside  
20 the boundaries of the authority.

21           O. An authority may acquire by purchase real  
22 property and equipment necessary to develop a public transit  
23 system, including station stops and complexes, maintenance and  
24 operating facilities, transfer locations, bus stations and  
25 stops, intermodal facilities and office buildings.

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1 P. An authority may borrow money, issue bonds and  
2 enter into contracts and finance leasing.

3 Q. An authority may invest funds of the authority in  
4 direct or indirect obligations of the United States, the state  
5 or any of its political subdivisions.

6 Section 9. [NEW MATERIAL] POWER OF EMINENT DOMAIN. -- The  
7 authority may exercise in the state the power of eminent domain,  
8 either within the authority or up to a five-mile radius outside  
9 the boundaries of the authority, and in the manner provided by  
10 law for the condemnation of private property for public use, may  
11 take any property necessary to carry out the purposes of the  
12 Regional Transit Authority Act.

13 Section 10. [NEW MATERIAL] ADDITION OR WITHDRAWAL OF  
14 TERRITORY BY AN AUTHORITY. --

15 A. After the creation of the authority, a governing  
16 body of a municipality or county adjacent to but not part of the  
17 authority may, upon concurrence of the board, propose to join  
18 the authority, determine the territorial area to become a part  
19 of that authority and fix the time and place that the governing  
20 body will conduct a public hearing on the proposal. If, after  
21 hearing all evidence at the public hearing, the governing body  
22 of the municipality or county finds that joining the authority  
23 would benefit residents of the area, an election shall be held  
24 by the municipality or county on the question of whether the  
25 municipality or county shall be annexed to the authority. If a

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1 majority of voters voting on the question votes in favor of the  
2 annexation, the municipal or county clerk shall certify the  
3 results of the election to the board, and the area shall become  
4 a part of the authority.

5 B. If a city or town that is a part of an authority  
6 lawfully annexes additional territory that is not a part of the  
7 authority, the annexed territory shall become a part of the  
8 authority.

9 C. A jurisdiction that is a part of the authority  
10 can withdraw from the authority by submitting to the voters the  
11 question: "Should (name of jurisdiction) withdraw from the  
12 (name of authority)?". If a majority of voters voting on the  
13 question votes in favor of withdrawal, the municipal or county  
14 clerk shall certify the results of the election to the board and  
15 the jurisdiction shall cease to be a member of the authority.  
16 The regional transit gross receipts tax shall continue until  
17 either the bonds that are outstanding at the time of withdrawal  
18 are paid in full, or the jurisdiction negotiates an agreement  
19 with the authority to provide funds sufficient to pay its pro  
20 rata share of the debt service on bonds previously issued to  
21 finance capital, and to acquire authority property lying within  
22 the bounds of the jurisdiction but outside the new boundaries of  
23 the authority. The provisions shall be negotiated and agreed to  
24 by the authority board, the governing body of the jurisdiction  
25 and the department.

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1           D. After the initial confirmation election to  
2 establish the authority, elections to join or withdraw shall be  
3 paid for by the jurisdiction that initiates the election.

4           Section 11. [NEW MATERIAL] STATION OR TERMINAL  
5 COMPLEXES. --

6           A. Before a station or terminal complex may be  
7 included in the system, the board shall determine that the  
8 proposed station or terminal complex will provide efficient and  
9 economical public transit service, will reduce vehicular  
10 congestion and air pollution in the metropolitan area and is  
11 reasonably essential to the successful operation of the system.

12           B. A station or terminal complex shall include  
13 adequate provisions to transfer passengers between the various  
14 modes of transportation available to the complex. A proposed  
15 station or terminal complex located within the city limits or  
16 extraterritorial jurisdiction of a municipality shall first be  
17 approved by the governing body of the municipality as to  
18 conformity with the general plan of the municipality.

19           Section 12. [NEW MATERIAL] REGIONAL TRANSIT GROSS  
20 RECEIPTS TAX--IMPOSITION--RATE AUTHORIZED. --

21           A. Upon voter approval pursuant to the Regional  
22 Transit Authority Act, the board may impose by resolution an  
23 excise tax on any person engaging in business in the authority  
24 area for the privilege of engaging in business. The rate of the  
25 tax shall not exceed the rate approved by the voters. The tax

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1 shall be referred to as the "regional transit gross receipts  
2 tax".

3 B. A tax imposed pursuant to this section may be  
4 imposed in one-sixteenth of one percent, one-eighth of one  
5 percent or one-fourth of one percent increments or any number of  
6 such increments by the enactment of one or more resolutions, but  
7 the total regional transit gross receipts tax rate imposed by  
8 all resolutions shall not exceed an aggregate rate of one-half  
9 of one percent of the gross receipts of a person engaging in  
10 business in the authority area.

11 C. The board, at the time of enacting a resolution  
12 imposing or changing the tax authorized in Subsection A of this  
13 section, shall dedicate the revenue for the management,  
14 construction or operation of the public transit system or  
15 regional public transit services or for specific public transit  
16 projects or services of the authority pursuant to the Regional  
17 Transit Authority Act.

18 D. Any law that imposes or authorizes the imposition  
19 of a regional transit gross receipts tax or that affects that  
20 tax, or any law supplemental to or otherwise pertaining to that  
21 tax, shall not be repealed or amended or otherwise directly or  
22 indirectly modified in such a manner as to impair adversely any  
23 outstanding regional transit revenue bonds that may be secured  
24 by a pledge of that tax, unless those outstanding revenue bonds  
25 have been discharged in full or provisions have been fully made

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1 for the discharge.

2 Section 13. [NEW MATERIAL] REGIONAL TRANSIT GROSS  
3 RECEIPTS TAX--EFFECTIVE DATE OF RESOLUTION--COMPLIANCE WITH  
4 GROSS RECEIPTS AND COMPENSATING TAX ACT AND REQUIREMENTS OF  
5 DEPARTMENT--SUBMISSION OF COPY TO DEPARTMENT. --

6 A. Unless another date is approved by the  
7 department, a resolution imposing, amending or repealing a  
8 regional transit gross receipts tax or an increment of the tax  
9 pursuant to the Regional Transit Authority Act shall be  
10 effective on July 1 or January 1, whichever date occurs first,  
11 after the expiration of at least three months from the date the  
12 adopted resolution is mailed or delivered to the department.  
13 The resolution shall include the effective date.

14 B. A resolution imposing a regional transit gross  
15 receipts tax pursuant to the Regional Transit Authority Act  
16 shall adopt by reference the same definitions and the same  
17 provisions relating to exemptions and deductions as are  
18 contained in the Gross Receipts and Compensating Tax Act then in  
19 effect and as it may be amended from time to time.

20 C. The board imposing the regional transit gross  
21 receipts tax pursuant to the Regional Transit Authority Act  
22 shall impose the tax by adopting the model resolution with  
23 respect to the tax furnished to the authority by the department.  
24 A resolution that does not conform substantially to the model  
25 resolution of the department is not valid.

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1           D. A certified copy of the resolution imposing or  
2     repealing a regional transit gross receipts tax authorized under  
3     the Regional Transit Authority Act or changing the tax rate  
4     imposed shall be mailed or delivered to the department within  
5     five days after the resolution is adopted.

6           Section 14. [NEW MATERIAL] REGIONAL TRANSIT GROSS  
7     RECEIPTS TAX--SPECIFIC EXEMPTIONS. --No regional transit gross  
8     receipts tax authorized under the Regional Transit Authority Act  
9     shall be imposed on the gross receipts arising from transporting  
10    persons or property for hire by railroad, motor vehicle, air  
11    transportation or any other means from one point within the  
12    authority to another point outside the authority, nor shall the  
13    tax be imposed on direct satellite broadcasting or on gross  
14    receipts that are exempt by federal law.

15          Section 15. [NEW MATERIAL] REGIONAL TRANSIT GROSS  
16     RECEIPTS TAX--COLLECTION BY DEPARTMENT--TRANSFER OF PROCEEDS--  
17     DEDUCTION. --

18           A. The department shall collect the regional transit  
19     gross receipts tax imposed pursuant to the provisions of the  
20     Regional Transit Authority Act in the same manner and at the  
21     same time it collects the state gross receipts tax.

22           B. The department may deduct an amount not to exceed  
23     three percent of the regional transit gross receipts tax  
24     collected under the provisions of the Regional Transit Authority  
25     Act as a charge for the administrative costs of collection.

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1 That amount shall be remitted to the state treasurer for deposit  
2 in the state general fund each month.

3 C. The department shall transfer to each authority  
4 for which it is collecting a regional transit gross receipts tax  
5 pursuant to the provisions of the Regional Transit Authority Act  
6 the amount of the tax collected for that authority, less any  
7 disbursement for administrative charges made pursuant to  
8 Subsection B of this section, tax credits, refunds and the  
9 payment of interest applicable to the tax. The transfer to the  
10 authority shall be made within the month following the month in  
11 which the tax is collected.

12 Section 16. [NEW MATERIAL] REGIONAL TRANSIT GROSS  
13 RECEIPTS TAX--ADMINISTRATION AND ENFORCEMENT OF ACT.--

14 A. The department shall interpret the provisions of  
15 the Regional Transit Authority Act with respect to the regional  
16 transit gross receipts tax authorized under that act.

17 B. The department shall administer and enforce the  
18 collection of the regional transit gross receipts tax authorized  
19 pursuant to the Regional Transit Authority Act, and the Tax  
20 Administration Act applies to the administration and enforcement  
21 of the regional transit gross receipts tax.

22 Section 17. [NEW MATERIAL] BONDS OF THE AUTHORITY--USE--  
23 SECURITY.--

24 A. The authority may issue and sell revenue bonds  
25 from time to time in principal amounts it considers necessary to

1 provide sufficient funds for any purpose of the Regional Transit  
2 Authority Act, including:

3 (1) the acquisition of real and personal  
4 property whether by purchase or by exercising the power of  
5 eminent domain;

6 (2) the purchase, construction, reconstruction,  
7 repair, equipping, improvement or extension of a public transit  
8 system;

9 (3) the payment, funding, refinancing or  
10 refunding of the principal of or interest or redemption premiums  
11 on bonds and other indebtedness issued or incurred by the  
12 authority whether the bonds or interest to be paid, funded,  
13 refinanced or refunded have or have not become due;

14 (4) the establishment or increase of reserves  
15 or sinking funds to secure or to pay principal, premium, if any,  
16 or interest on bonds and reserves relating to the operation,  
17 maintenance and repair of a public transit system; and

18 (5) all other costs or expenses of the  
19 authority necessary or convenient to carry out its corporate  
20 purposes and powers.

21 B. Except as otherwise provided in the Regional  
22 Transit Authority Act, all bonds or other obligations issued by  
23 the authority shall be obligations of the authority payable  
24 solely from, and the authority is authorized to pledge, transfer  
25 and assign for the payment of the bonds:

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1 (1) all or part of the net receipts of the  
2 regional transit gross receipts tax that is dedicated for the  
3 purpose for which the bonds are issued;

4 (2) any other revenue, income, money or funds  
5 of the authority from any source available for the payment of  
6 the bonds; or

7 (3) any grant, subsidy or contribution from the  
8 United States or any of its agencies or instrumentalities that  
9 may be used for the payment of bonds of the authority.

10 C. The bonds and other obligations of the authority  
11 shall not create an obligation, debt or liability of the state  
12 or any political subdivision of the state, including any  
13 municipality or county that is a part of the authority. No  
14 breach of any pledge, obligation or agreement of the authority  
15 shall impose a pecuniary liability or a charge upon the general  
16 credit or taxing power of the state or any political subdivision  
17 of the state, including any municipality or county that is a  
18 part of the authority.

19 Section 18. [NEW MATERIAL] BONDS--AUTHORIZATION FOR  
20 ISSUANCE--TERMS AND CONDITIONS.--

21 A. Bonds of the authority shall be authorized by  
22 resolution of the board and may be issued in one or more series.  
23 The bonds shall bear the dates, be in the form, be issued in the  
24 denominations, have terms and maturities, bear interest at fixed  
25 or variable rates or have appreciated principal, be payable in

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1 the manner and at the times, be redeemed with or without  
2 premiums prior to maturity, be ranked or assigned priority  
3 status and have such other terms as the resolution of the  
4 authority or the trust agreement or other document securing the  
5 bonds provides.

6 B. The bonds issued by the authority may be sold at  
7 any time at private or public sale at prices agreed upon by the  
8 authority.

9 C. Bonds may be issued pursuant to the Regional  
10 Transit Authority Act without obtaining the consent of any  
11 agency of the state and without any other proceeding or  
12 condition other than the proceedings or conditions specified in  
13 that act.

14 D. The bonds issued by the authority are negotiable  
15 instruments for all purposes of the Uniform Commercial Code,  
16 subject only to the provisions of the bonds for registration.

17 Section 19. [NEW MATERIAL] TRUST AGREEMENTS-- CREDIT  
18 FACILITIES-- RELATED DOCUMENTS. --

19 A. The authority may enter into trust agreements to  
20 better secure the payment of any bonds issued pursuant to the  
21 Regional Transit Authority Act with any corporate trustee and  
22 provide in the trust agreements for the rights and limitations  
23 on rights of the holders and owners of the bonds.

24 B. The authority may enter into credit facilities to  
25 provide additional security for its bonds or for a primary or

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1 contingent source of payment of or reimbursement for the  
2 principal of, interest or any redemption premium on the bonds,  
3 or the purchase price upon a tender or call of the bonds. The  
4 authority may enter into contracts for the purchase or  
5 repurchase of its bonds.

6 C. The authority may enter into reimbursement  
7 agreements, credit agreements, escrow agreements and other  
8 contracts and agreements as are necessary or appropriate for its  
9 bonds.

10 Section 20. [NEW MATERIAL] REFUNDING BONDS. -- The  
11 authority is authorized to issue its bonds for the purpose of  
12 refunding any outstanding bonds, including the payment of any  
13 redemption premiums and any interest accrued or to accrue to the  
14 date of redemption of the outstanding bonds. Until the proceeds  
15 of the refunding bonds are applied to the purchase or retirement  
16 of the outstanding bonds or the redemption of the outstanding  
17 bonds, the proceeds may be placed in escrow and be invested and  
18 reinvested. The interest, income and profits, if any, earned or  
19 realized on any such investment may, in the discretion of the  
20 authority, also be applied to the payment of the outstanding  
21 bonds to be refunded. After the terms of any escrow agreement  
22 have been satisfied, any balance remaining in escrow, including  
23 investments earnings, may be returned to the authority for use  
24 by it in any lawful manner. All refunding bonds shall be issued  
25 and secured and shall be subject to the provisions of the

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1 Regional Transit Authority Act in the same manner and to the  
2 same extent as any other bonds issued pursuant to the Regional  
3 Transit Authority Act.

4 Section 21. [NEW MATERIAL] PUBLICATION OF NOTICE--  
5 VALIDATION--LIMITATION OF ACTION. --

6 A. After adoption of a resolution authorizing the  
7 issuance of bonds, the authority shall publish notice of the  
8 adoption of the resolution once in a newspaper of general  
9 circulation in the area in which the authority is located.

10 B. After the passage of thirty days from the time of  
11 publication, any action attacking the validity of the  
12 proceedings or taken by the authority in the authorization and  
13 issuance of the bonds described in the notice is perpetually  
14 barred.

15 Section 22. [NEW MATERIAL] MANAGEMENT. --

16 A. Responsibility for the management, operation and  
17 control of the property belonging to an authority shall be  
18 vested in its board. The board may employ qualified persons  
19 deemed necessary by the board for the conduct of the affairs of  
20 the authority, including a general manager, bookkeeper, auditor  
21 and engineer.

22 B. The board shall provide for an annual audit of  
23 its affairs by an independent certified public accountant.

24 Section 23. [NEW MATERIAL] ANNUAL BUDGET.--Prior to the  
25 beginning of a fiscal year, the board shall adopt an annual

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1 operating budget that specifies major expenditures by type and  
2 amount. Before the board adopts its annual operating budget, it  
3 shall conduct a public hearing and make the proposed budget  
4 available to the public at least fourteen days prior to the  
5 hearing.

6 Section 24. [NEW MATERIAL] RULES AND REGULATIONS. --

7 A. The board may adopt and enforce reasonable rules  
8 and regulations necessary to conduct its business, including:

9 (1) securing and maintaining safety and  
10 efficiency in the operation and maintenance of its facilities;

11 (2) governing the use of the authority's  
12 facilities and services by the public and the payment of fares;

13 (3) regulating privileges on any land,  
14 easement, right of way or other property owned or controlled by  
15 the authority; and

16 (4) employing qualified persons as necessary to  
17 carry out the purpose of the Regional Transit Authority Act.

18 B. Regulations adopted by the board shall be  
19 published once a week for two consecutive weeks in a newspaper  
20 of general circulation in the area in which the authority is  
21 located. Rules and regulations shall become effective ten days  
22 following the last publication.

23 Section 25. [NEW MATERIAL] CONTRACTS FOR CONSTRUCTION,  
24 GOODS OR SERVICES. --The board shall establish purchasing  
25 guidelines, including rules governing a competitive bid process;

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1 provided that the board shall not secure a contract that is not  
2 subject to competitive bidding requirements or that is for the  
3 purchase of real property or for professional services until an  
4 announcement that a contract is being considered is posted in a  
5 prominent place in the principal office of the authority for at  
6 least two weeks before the contract is awarded.

7 Section 26. [NEW MATERIAL] CONDUCT OF ELECTIONS. --

8 A. Notwithstanding initial elections necessary to  
9 confirm the creation of an authority, board elections shall be  
10 conducted at the time of the general election under the  
11 direction of the municipal or county clerk and in accordance  
12 with the provisions of the Election Code.

13 B. Notice of the election shall be given by  
14 publication.

15 C. All polling places shall be within the area  
16 included within the authority.

17 D. The secretary of the authority shall provide to  
18 each municipal or county clerk supplies and assistance necessary  
19 to conduct an election for membership on the board, as  
20 authorized by the Regional Transit Authority Act.

21 Section 27. [NEW MATERIAL] EXEMPTION FROM TAXES. --The  
22 property, revenues and income of an authority and the interest  
23 on bonds issued by an authority shall be exempt from all taxes  
24 levied by the state and its political subdivisions.

25 Section 28. [NEW MATERIAL] CONSTRUCTION OF ACT. --The

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1 Regional Transit Authority Act shall be liberally construed to  
2 carry out the purpose of that act.

3 Section 29. A new section of the Tax Administration Act is  
4 enacted to read:

5 "[NEW MATERIAL] TRANSFER--REVENUES FROM REGIONAL TRANSIT  
6 GROSS RECEIPTS TAXES.--A transfer pursuant to Section 7-1-6.1  
7 NMSA 1978 shall be made to each regional transit authority for  
8 which the department is collecting a regional transit gross  
9 receipts tax in an amount equal to the net receipts attributable  
10 to the regional transit gross receipts tax imposed by that  
11 authority pursuant to the Regional Transit Authority Act less  
12 any deductions for administrative costs determined and made by  
13 the department pursuant to the provisions of that act."

14 Section 30. Section 6-14-2 NMSA 1978 (being Laws 1970,  
15 Chapter 10, Section 2, as amended) is amended to read:

16 "6-14-2. DEFINITIONS.--As used in the Public Securities  
17 Act:

18 A. "net effective interest rate" means the interest  
19 rate based on the actual price paid to a public body for its  
20 public securities, calculated to maturity according to standard  
21 tables of bond values;

22 B. "public body" means this state or any department,  
23 board, agency or instrumentality of the state, any county, city,  
24 town, village, school district, other district, educational  
25 institution or any other governmental agency or political

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1 subdivision of the state; and

2 C. "public securities" means any bonds, notes,  
3 warrants or other obligations now or hereafter authorized to be  
4 issued by any public body pursuant to the provisions of any  
5 general or special law enacted by the legislature, but does not  
6 include bonds, notes, warrants or other obligations issued  
7 pursuant to:

- 8 (1) the Industrial Revenue Bond Act;
- 9 (2) the County Improvement District Act;
- 10 (3) Sections 3-33-1 through 3-33-43 NMSA 1978;
- 11 (4) the Pollution Control Revenue Bond Act;
- 12 (5) the County Pollution Control Revenue Bond  
13 Act;
- 14 (6) the County Industrial Revenue Bond Act;
- 15 (7) the Metropolitan Redevelopment Code;
- 16 (8) the Supplemental Municipal Gross Receipts  
17 Tax Act;
- 18 (9) the Regional Transit Authority Act;
- 19 [~~(9)~~] (10) the Hospital Equipment Loan Act; or
- 20 [~~(10)~~] (11) the New Mexico Finance Authority  
21 Act. "

22 Section 31. Section 6-18-4 NMSA 1978 (being Laws 1983,  
23 Chapter 161, Section 4, as amended) is amended to read:

24 "6-18-4. DEFINITIONS. --As used in the Public Securities  
25 Short-Term Interest Rate Act, unless the context otherwise

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1 requires:

2 A. "bond" means any bond, debenture, note, refunding  
3 or renewal bond or note, warrant or other security evidencing an  
4 obligation authorized to be issued by a public body pursuant to  
5 any provision of law of this state, including the Public  
6 Securities Short-Term Interest Rate Act;

7 B. "governing body" means the city council or other  
8 body or officer of a public body in which the legislative powers  
9 are vested;

10 C. "indebtedness" means any debt evidenced by a bond  
11 issued by a public body pursuant to any law of this state that  
12 constitutes a debt for the purposes of Section 12 or 13 of  
13 Article 9 of the constitution of New Mexico and the issuance of  
14 which must be submitted to a vote of the qualified electors of  
15 the public body pursuant to those sections and any bond issued  
16 for the purpose of paying or refunding any such bond;

17 D. "bond legislation" means an ordinance or a  
18 resolution or other appropriate enactment adopted by a governing  
19 body [~~of a public body~~] providing for the authorization or sale  
20 of bonds and any trust agreement, credit agreement, letter of  
21 credit, reimbursement agreement or other credit facility, dealer  
22 agreement, issuing or paying agent agreement, purchase  
23 commitment agreement, escrow agreement, remarketing agreement,  
24 index agent agreement or other agreement with respect to the  
25 bonds to which the public body or trustee for the bonds is a

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party; and

E. "public body" means any municipality, any county, any school district, any special district, any H class county ~~[located in New Mexico]~~, the New Mexico hospital equipment loan council, state institutions enumerated in Section 6-13-2 NMSA 1978, the water quality control commission, the state board of finance, the New Mexico finance authority, a regional transit authority created pursuant to the Regional Transit Authority Act or the state."

Section 32. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 1997.

# State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

February 20, 1997

Mr. Speaker:

Your TRANSPORTATION COMMITTEE, to whom has been referred

HOUSE BILL 669

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 3, line 8, strike "municipality" and insert in lieu thereof "principal city".

2. On page 4, line 7, strike "consists" and insert in lieu thereof "may consist".

3. On page 8, strike lines 3 through 8 and insert in lieu thereof:

"If only two political subdivisions vote to participate in the authority, the principal city shall have three of the five board

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTC/HB 669

Page 34

1  
2 members. If three political subdivisions vote to participate in  
3 the authority, the principal city shall have one more than the  
4 total number of board seats held by the other two participating  
5 political subdivisions. If four or more political subdivisions  
6 vote to join the authority, each political subdivision shall have  
7 at least one member. Each subdivision shall also have one  
8 additional member if, based on the last two-year census, that  
9 subdivision has a population between fifty thousand one and one  
10 hundred thousand residents; two additional members if that  
11 subdivision has a population between one hundred thousand one and  
12 one hundred fifty thousand residents. However, no political  
13 subdivision shall have more than one less than a majority of the  
14 membership on the board. For purposes of representation on the  
15 board, the population of incorporated municipalities within a  
16 county shall not be counted toward the population of the county.".

16           5. On page 14, line 12, after "tax" insert "and transit  
17 revenue bonds".

18  
19           6. On page 15, line 8, strike "or" and strike the remainder  
20 of the line, and strike line 9 through the comma.

21  
22           7. On page 16, line 21, after "capital" insert  
23 "improvements".,

24 and thence referred to the TAXATION AND REVENUE  
25 COMMITTEE.

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTC/HB 669

Page 35

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Respectfully submitted,

\_\_\_\_\_  
Daniel P. Silva, Chairman

Adopted \_\_\_\_\_

Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Carpenter

Absent: Russell, Whitaker

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HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 669

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

AN ACT

RELATING TO TRANSPORTATION; ENACTING THE REGIONAL TRANSIT  
AUTHORITY ACT; AUTHORIZING THE CREATION OF REGIONAL TRANSIT  
AUTHORITIES; PROVIDING THE POWERS AND DUTIES OF A REGIONAL  
TRANSIT AUTHORITY; AUTHORIZING THE IMPOSITION OF A GROSS  
RECEIPTS TAX; AUTHORIZING ISSUANCE OF REGIONAL TRANSIT REVENUE  
BONDS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1  
through 27 of this act may be cited as the "Regional Transit  
Authority Act".

Section 2. [NEW MATERIAL] PURPOSE. -- The purpose of the  
Regional Transit Authority Act is to:

A. serve the public welfare by providing for the  
creation of a comprehensive network of safe, efficient and  
affordable public transportation within a metropolitan area;

B. provide a public transit system to reduce the

congestion of single-occupancy motor vehicle passenger traffic in a metropolitan area by providing transportation options for residents;

1 C. decrease automobile accidents by reducing traffic  
2 congestion on freeways and streets;

3 D. reduce noise and air pollution produced by motor  
4 vehicles; and

5 E. provide residents with a choice of transportation  
6 alternatives, so that seniors, youth, low-income and mobility-  
7 impaired residents and others unable to drive or to afford an  
8 automobile continue to have full access to the goods, services  
9 and activities of the community.

10 Section 3. [NEW MATERIAL] DEFINITIONS. --As used in the  
11 Regional Transit Authority Act:

12 A. "authority" means a regional transit authority  
13 created pursuant to the provisions of the Regional Transit  
14 Authority Act;

15 B. "board" means a regional transit authority board;

16 C. "condemn" or "condemnation" means the acquisition  
17 of property or an interest in property by a regional transit  
18 authority through the exercise of the power of eminent domain;

19 D. "department" means the taxation and revenue  
20 department, the secretary of taxation and revenue or any  
21 employee of the department exercising authority lawfully  
22 delegated to that employee by the secretary;

23 E. "governing body" means the city council, city  
24 commission, board of commissioners, board of trustees, board of  
25 directors or other legislative body of a municipality or county

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1 in which the legislative powers of the public body are vested;

2 F. "high-occupancy vehicle" means any vehicle carrying  
3 more than one person, including buses, vans, cars and passenger  
4 trains;

5 G. "metropolitan area" means an area consisting of at  
6 least two contiguous counties, one of which has a principal city  
7 with a population in excess of twenty thousand or has a principal  
8 city with a population of no more than five thousand that currently  
9 operates a public transit system;

10 H. "motor vehicle" means a self-propelled vehicle  
11 suitable for operation on highways;

12 I. "municipality" means any incorporated city, town or  
13 village, whether incorporated under general act, special act or  
14 special charter;

15 J. "person" means an individual or any other legal  
16 entity;

17 K. "principal city" means the city of largest  
18 population within a metropolitan area;

19 L. "public transit system" means a public transit  
20 network that transports passengers by means of high-occupancy  
21 vehicles that is created and administered by an authority; and

22 M. "regional transit gross receipts tax" means the  
23 gross receipts tax imposed pursuant to the Regional Transit  
24 Authority Act.

25 Section 4. [NEW MATERIAL] CREATION OF TRANSIT AUTHORITY--

1 NOTICE AND HEARING. --

2 A. The governing body of a principal city in a  
 3 metropolitan area may institute proceedings to create an authority  
 4 in the manner prescribed in the Regional Transit Authority Act.

5 B. The proposed authority may consist of the principal  
 6 city and additional adjacent counties or municipalities in the  
 7 metropolitan area outside of the county where the principal city is  
 8 located, provided that the entirety of the territory of each county  
 9 or municipality is included.

10 C. Upon a finding that a metropolitan area lacks  
 11 adequate public transportation infrastructure, a majority of the  
 12 members of the governing body of the principal city may adopt a  
 13 resolution proposing to create an authority, determining the  
 14 territorial area of the proposed authority and fixing the time and  
 15 place that the governing body will conduct a public hearing on the  
 16 proposal. The governing body of the principal city shall not adopt  
 17 a resolution proposing creation of an authority without the  
 18 concurrence of a majority of the members of the governing body of  
 19 each county and municipality it proposes to include within that  
 20 area.

21 D. Notice of the time and place of the public hearing,  
 22 including a copy of the resolution setting out the territorial area  
 23 of the proposed authority, shall be sent by registered mail to each  
 24 governing body included in the proposed authority area. Notice of  
 25 the public hearing and a copy of the resolution shall be published

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1 by each county and municipality once a week for two consecutive  
2 weeks in at least one newspaper of general circulation in the  
3 metropolitan area. The first publication shall be not less than  
4 fifteen days prior to the date fixed for the hearing. Copies of  
5 the notice and resolution shall also be available upon request to  
6 interested persons in the metropolitan area.

7 E. At the public hearing, representatives of  
8 municipalities and counties in the metropolitan area and other  
9 interested persons may present evidence for or against the creation  
10 of the proposed authority and for or against the need for  
11 construction or expansion of a public transit system in the  
12 metropolitan area.

13 F. If, after hearing all evidence at the public  
14 hearing, the governing body of the principal city finds that the  
15 creation of an authority and the construction and operation of a  
16 public transit system is necessary for the public health and  
17 welfare and will benefit residents of the area, the governing body  
18 shall adopt a resolution proposing creation of the authority  
19 subject to approval by the voters at a confirmation election,  
20 naming the authority, prescribing the territorial area of the  
21 authority and providing for appointment of an interim board.

22 G. If, after hearing all evidence at the public  
23 hearing, the governing body of the principal city finds that the  
24 creation of the authority and the construction and operation of a  
25 public transit system in the metropolitan area are not necessary

1 for the public health and welfare and would not benefit the  
 2 residents of the metropolitan area, it shall not create the  
 3 authority.

4 H. If the principal city adopts a resolution proposing  
 5 creation of an authority, it shall submit that resolution to each  
 6 governing body within the area of the proposed authority. Each  
 7 governing body included shall, within sixty days, approve or  
 8 disapprove by resolution their inclusion in the proposed authority.  
 9 Failure to adopt a resolution in favor of inclusion shall result in  
 10 that jurisdiction being excluded from the initial confirmation  
 11 election.

12 I. Nothing in the Regional Transit Authority Act shall  
 13 be construed to prevent or impair the operation of a public transit  
 14 system in existence prior to the passage of this act.

15 Section 5. [NEW MATERIAL] REGIONAL TRANSIT AUTHORITY BOARD--  
 16 MEMBERSHIP AND TERMS OF OFFICE. --

17 A. An interim board representing the governing bodies  
 18 that have approved, by resolution, their inclusion in the proposed  
 19 authority shall be appointed within thirty days following the  
 20 adoption of those resolutions. Interim board members shall serve  
 21 until January 1 of the year following the general election at which  
 22 the first regular board members are elected. The appointed interim  
 23 board members shall have the same proportional representation as  
 24 the elected regular board members, and shall have the same powers  
 25 and duties and be subject to the same provisions of the Regional

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1 Transit Authority Act as regular board members. Each interim board  
2 member serves at the pleasure of the appointing governing body.

3 B. Regular board members shall be elected at a special  
4 election held at the same time as the general election, with the  
5 initial regular members being elected at a special election  
6 conducted at the same time as the first general election after the  
7 confirmation election provided for in Section 6 of the Regional  
8 Transit Authority Act. Board members shall serve terms of four  
9 years. Prior to the election of the permanent board, the interim  
10 board shall determine by lot which half of the regular members  
11 shall serve initial two- and four-year terms. After the first  
12 election, all board members shall be elected for four-year terms.

13 C. A board shall consist of at least five members. If  
14 a total of two counties and municipalities participate in an  
15 authority, the principal city shall have three of the five board  
16 members. If a total of three counties or municipalities vote to  
17 participate in an authority, the principal city shall have one more  
18 than the total number of board seats held by the other two  
19 participants. If a total of four or more counties or  
20 municipalities vote to join the authority, each participant shall  
21 have at least one member. Each participant shall also have one  
22 additional member if, based on the last two-year supplemental  
23 federal decennial census, that participant has a population between  
24 fifty thousand one and one hundred thousand residents or two  
25 additional members if that participant has a population between one

1 hundred thousand one and one hundred fifty thousand residents. No  
2 participant shall have a majority of the membership on the board,  
3 unless there are only two participants. For purposes of  
4 representation on the board, the population of incorporated  
5 municipalities within a county shall not be counted toward the  
6 population of the county.

7 D. Vacancies on the board shall be filled for the  
8 remainder of the term in the manner provided for the original  
9 appointment of the interim board. Upon expiration of the term of  
10 office of each member of the board, a member may seek office for  
11 the succeeding term.

12 E. Board members shall be reimbursed for per diem and  
13 mileage as provided for public officers in the Per Diem and Mileage  
14 Act.

15 F. Board members shall be residents and qualified  
16 voters of the counties or municipalities that they represent.

17 G. Board members shall select annually from among their  
18 membership a chairman, a vice chairman and a secretary, and other  
19 officers as they deem necessary. No member of the board or officer  
20 of the authority shall have pecuniary interest in or benefit  
21 directly or indirectly from any contract or agreement to which the  
22 authority is a party.

23 H. The board shall meet at least once a month for the  
24 purpose of transacting the business of the authority. In addition  
25 to regularly scheduled meetings, the chairman may call special

1 meetings as may be necessary upon written notice at least ten days  
2 prior to the meeting. A majority of the members shall constitute a  
3 quorum of the board for the purpose of conducting its business and  
4 exercising its powers.

5 I. A member of the board may be removed from office for  
6 nonfeasance, misfeasance or malfeasance in office by the governing  
7 body that it represents, or by a majority of the permanent board.

8 Section 6. [NEW MATERIAL] CONFIRMATION ELECTION. --

9 A. Within thirty days of its appointment, the interim  
10 board shall adopt a resolution calling for a confirmation election  
11 to be held no later than one hundred eighty days from the date of  
12 the adoption of that resolution. The confirmation election shall  
13 be conducted by the county or municipal clerk of each governing  
14 body that has approved, by resolution, their inclusion in the  
15 proposed authority. The election shall be held to determine  
16 whether a majority of the voters approve the creation of an  
17 authority and the imposition of a regional transit gross receipts  
18 tax to fund the creation of a regional transit system.

19 B. The question submitted to the voters at the  
20 confirmation election shall be:

21 "Shall the creation of the (name of the authority),  
22 consisting of (names of counties and municipalities to be  
23 included), be confirmed and shall the board of the authority be  
24 authorized to impose a regional transit gross receipts tax in the  
25 amount of \_\_\_\_\_ percent of gross receipts not to exceed one-

1 fourth of one percent of the gross receipts on persons engaging in  
 2 business in the authority area, to fund a public transit system and  
 3 provide public transit services in the metropolitan area?

4 \_\_\_\_\_ Yes \_\_\_\_\_ No".

5 C. The election shall be conducted so that votes are  
 6 separately tabulated and canvassed in each county and municipality  
 7 where the election is held.

8 D. Those counties or municipalities in which a majority  
 9 of the voters voting on the question votes against the confirmation  
 10 of the creation of the authority and the levy of the proposed tax  
 11 shall not become part of the authority. A municipality that votes  
 12 against the creation of the authority and the levy of the proposed  
 13 tax shall not become part of the authority if the county in which  
 14 the municipality is located votes to join the authority. Those  
 15 counties or municipalities where a majority of the voters voting on  
 16 the question votes in favor of the creation of the authority and  
 17 the levy of the proposed tax shall become part of the authority.

18 E. If the vote is not favorable in the principal city  
 19 that initiated the confirmation election, the authority shall not  
 20 be created.

21 F. The expense of calling and conducting the  
 22 confirmation election shall be borne by the principal city.  
 23 However, if the election results in the creation of an authority,  
 24 the authority shall reimburse the principal city for all  
 25 expenditures made in the course of calling and conducting the

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1 election within twelve months after the date on which collection of  
2 the tax for the authority begins.

3 G. At any time after the confirmation election, the  
4 board may call an election to increase the gross receipts tax levy  
5 for the purpose of expanding transit services, subject to the  
6 provisions of the Regional Transit Authority Act limiting the  
7 aggregate rate of the regional transit gross receipts tax. The  
8 expense of calling and conducting the election shall be borne by  
9 the authority. If a majority of the voters voting in the election  
10 votes in favor of the increase, that additional gross receipts tax  
11 shall be imposed. If a majority of the voters voting in the  
12 election votes against the increase in the tax, the additional  
13 gross receipts tax shall not be imposed, and the authority shall  
14 not again propose to increase the tax for a period of at least two  
15 years from the date of that election.

16 H. The dates on which the authority may be established  
17 or additional counties and municipalities may join or withdraw from  
18 an authority shall be January 1 or July 1 immediately following the  
19 election.

20 Section 7. [NEW MATERIAL] POWERS OF THE AUTHORITY. --

21 A. An authority, when created and confirmed, shall  
22 constitute a public body corporate and politic, exercising  
23 governmental functions, having the power necessary to carry out the  
24 purposes of the Regional Transit Authority Act.

25 B. An authority may sue and be sued in all courts of

1 competent jurisdiction.

2 C. An authority may adopt and use a seal of the  
3 authority.

4 D. An authority may fix the fiscal year for the  
5 authority.

6 E. An authority may acquire property by grant,  
7 purchase, gift, devise, lease or otherwise and may hold, use, sell,  
8 lease or dispose of real and personal property as it deems  
9 necessary for the full exercise of any of its powers pursuant to  
10 the provisions of the Regional Transit Authority Act.

11 F. An authority may acquire, construct, complete,  
12 develop, own, operate and maintain a public transit system within  
13 its boundaries, and both within and without the boundaries of  
14 municipalities. For the purpose of the system, the authority shall  
15 have the right to use the streets, highways and other public ways,  
16 and, with permission of the owner, to relocate or alter the  
17 construction of any street, highway, other public way, electric and  
18 telephone lines and properties, pipelines, conduits and other  
19 properties, whether publicly or privately owned, if deemed  
20 necessary by the authority in the construction, reconstruction,  
21 repair, maintenance and operation of the system. Any damage that  
22 may occur to the property shall be borne by the authority.

23 G. An authority may enter into agreements with any  
24 other public or private utility, communication system, common  
25 carrier or transportation system for the joint use of their

1        respective facilities or properties within the authority and to  
2        establish routes, joint fares or transfer of passengers.

3                H. An authority may enter into contracts, leases and  
4        agreements with and accept grants and loans from the federal  
5        government, its departments and agencies, and the state and any of  
6        its political subdivisions. A revenue bond indenture may provide  
7        limitations upon the exercise of the powers stated in this section,  
8        and the limitations shall apply as long as any revenue bonds issued  
9        pursuant to this indenture are outstanding and unpaid.

10                I. An authority may propose, for the construction,  
11        operation and maintenance of a public transit system, the  
12        imposition of a gross receipts tax on any person engaging in  
13        business in the authority area, which shall not exceed an aggregate  
14        rate of one-fourth of one percent.

15                J. An authority may sell, lease, convey or otherwise  
16        dispose of any of its rights, interests or real or personal  
17        properties or surplus material not needed for the efficient  
18        operation and maintenance of the public transit system.

19                K. An authority may lease the public transit system or  
20        any part of the system, or contract for the use or operation of the  
21        system by an operator.

22                L. An authority shall establish and maintain rates,  
23        fares, tolls, charges, rents or other compensation for the use of  
24        the facilities of the public transit system constructed, operated  
25        and maintained by the authority, which shall be reasonable and

1 nondiscriminatory, and shall, together with the regional transit  
 2 gross receipts tax and regional transit revenue bonds, be adequate  
 3 to meet its financial obligations.

4 M An authority shall, by resolution, adopt rules  
 5 governing the use, operation and maintenance of the public transit  
 6 system and shall determine all routings whenever it is deemed  
 7 advisable by the authority.

8 N. An authority may contract with a governing body to  
 9 provide public transit services to any area outside the boundaries  
 10 of the authority.

11 O. An authority may acquire by purchase real property  
 12 and equipment necessary to develop a public transit system,  
 13 including station stops and complexes, maintenance and operating  
 14 facilities, transfer locations, bus stations and stops, internodal  
 15 facilities and office buildings.

16 P. An authority may borrow money, issue bonds and enter  
 17 into contracts and finance leasing.

18 Q. An authority may invest funds of the authority in  
 19 direct or indirect obligations of the United States, the state or  
 20 any of its political subdivisions.

21 Section 8. [NEW MATERIAL] POWER OF EMINENT DOMAIN. -- The  
 22 authority may exercise in the state the power of eminent domain,  
 23 within the authority and in the manner provided by law for the  
 24 condemnation of private property for public use, and may take any  
 25 property necessary to carry out the purposes of the Regional

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1 Transit Authority Act.

2 Section 9. [NEW MATERIAL] ADDITION OR WITHDRAWAL OF  
3 TERRITORY BY AN AUTHORITY. --

4 A. After the creation of the authority, a governing  
5 body adjacent to but not part of the authority may, by resolution,  
6 propose to join the authority, determine the territorial area to  
7 become a part of that authority and fix the time and place that the  
8 governing body will conduct a public hearing on the proposal, as  
9 provided for in Section 4 of the Regional Transit Authority Act.  
10 If a majority of voters voting on the question votes in favor of  
11 the annexation, the municipal or county clerk shall certify the  
12 results of the election to the board, and the area shall become a  
13 part of the authority.

14 B. If a city or town that is a part of an authority  
15 lawfully annexes additional territory that is not a part of the  
16 authority, the annexed territory shall become a part of the  
17 authority.

18 C. A county or municipality that is a part of the  
19 authority can withdraw from the authority by submitting to the  
20 voters the question: "Should (name of county or municipality)  
21 withdraw from the (name of authority)?". If a majority of voters  
22 voting on the question votes in favor of withdrawal, the municipal  
23 or county clerk shall certify the results of the election to the  
24 board and the county or municipality shall cease to be a member of  
25 the authority and a board member from that county or municipality

1 shall cease to be a member of the board. The regional transit  
 2 gross receipts tax shall continue until either the bonds that are  
 3 outstanding at the time of withdrawal are paid in full, or the  
 4 county or municipality negotiates an agreement with the authority  
 5 to provide funds sufficient to pay its pro rata share of the debt  
 6 service on bonds previously issued to finance capital improvements,  
 7 and to acquire authority property lying within the bounds of the  
 8 county or municipality but outside the new boundaries of the  
 9 authority. Real property owned by the authority that is within the  
 10 boundaries of a withdrawing county or municipality shall remain the  
 11 property of the authority. The provisions of withdrawal shall be  
 12 negotiated and agreed to by the board, the withdrawing governing  
 13 body and the department; however, a municipality with a population  
 14 of ten thousand or less shall not be obligated for payment on  
 15 outstanding bonds existing at the time of withdrawal.

16 D. After the initial confirmation election to establish  
 17 the authority, elections to join or withdraw shall be paid for by  
 18 the governing body that initiates the election.

19 Section 10. [NEW MATERIAL] STATION OR TERMINAL COMPLEXES. --

20 A. Before a station or terminal complex may be included  
 21 in the system, the board shall determine that the proposed station  
 22 or terminal complex will provide efficient and economical public  
 23 transit service, will reduce vehicular congestion and air pollution  
 24 in the metropolitan area and is reasonably essential to the  
 25 successful operation of the system.

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1           B. A station or terminal complex shall include adequate  
2 provisions to transfer passengers between the various modes of  
3 transportation available to the complex. A proposed station or  
4 terminal complex located within the city limits or extraterritorial  
5 jurisdiction of a municipality shall first be approved by the  
6 governing body of the municipality as to conformity with the  
7 general plan of the municipality.

8           Section 11. [NEW MATERIAL] REGIONAL TRANSIT GROSS RECEIPTS  
9 TAX--IMPOSITION--RATE AUTHORIZED.--

10           A. Upon voter approval pursuant to the Regional Transit  
11 Authority Act, the board may impose by resolution an excise tax on  
12 any person engaging in business in the authority area for the  
13 privilege of engaging in business, provided that where a majority  
14 of voters in the county approves, by confirmation election, their  
15 participation in the authority, the county clerk shall not tax a  
16 municipality within that county that has not opted to participate.  
17 The rate of the tax shall not exceed the rate approved by the  
18 voters. The tax shall be referred to as the "regional transit  
19 gross receipts tax".

20           B. A tax imposed pursuant to this section may be  
21 imposed in one-sixteenth of one percent or one-eighth of one  
22 percent or any number of such increments by the enactment of one or  
23 more resolutions, but the total regional transit gross receipts tax  
24 rate imposed by all resolutions shall not exceed an aggregate rate  
25 of one-fourth of one percent of the gross receipts on a person

1 engaging in business in the authority area.

2 C. The board, at the time of enacting a resolution  
3 imposing or changing the tax authorized in Subsection A of this  
4 section, shall dedicate the revenue for the management,  
5 construction or operation of the public transit system or for  
6 specific public transit projects or services of the authority  
7 pursuant to the Regional Transit Authority Act.

8 D. Any law that imposes or authorizes the imposition of  
9 a regional transit gross receipts tax or that affects that tax, or  
10 any law supplemental to or otherwise pertaining to that tax, shall  
11 not be repealed or amended or otherwise directly or indirectly  
12 modified in such a manner as to impair adversely any outstanding  
13 regional transit revenue bonds that may be secured by a pledge of  
14 that tax, unless those outstanding revenue bonds have been  
15 discharged in full or provisions have been fully made for the  
16 discharge.

17 Section 12. [NEW MATERIAL] REGIONAL TRANSIT GROSS RECEIPTS  
18 TAX- -EFFECTIVE DATE OF RESOLUTION- -COMPLIANCE WITH GROSS RECEIPTS  
19 AND COMPENSATING TAX ACT AND REQUIREMENTS OF DEPARTMENT- -SUBMISSION  
20 OF COPY TO DEPARTMENT. --

21 A. Unless another date is approved by the department, a  
22 resolution imposing, amending or repealing a regional transit gross  
23 receipts tax or an increment of the tax pursuant to the Regional  
24 Transit Authority Act shall be effective on July 1 or January 1,  
25 whichever date occurs first, after the expiration of at least three

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1 months from the date the adopted resolution is mailed or delivered  
2 to the department. The resolution shall include the effective  
3 date.

4 B. A resolution imposing a regional transit gross  
5 receipts tax pursuant to the Regional Transit Authority Act shall  
6 adopt by reference the same definitions and the same provisions  
7 relating to exemptions and deductions as are contained in the Gross  
8 Receipts and Compensating Tax Act then in effect and as it may be  
9 amended from time to time.

10 C. The board imposing the regional transit gross  
11 receipts tax pursuant to the Regional Transit Authority Act shall  
12 impose the tax by adopting the model resolution with respect to the  
13 tax furnished to the authority by the department. A resolution  
14 that does not conform substantially to the model resolution of the  
15 department is invalid.

16 D. A certified copy of the resolution imposing or  
17 repealing a regional transit gross receipts tax authorized under  
18 the Regional Transit Authority Act or changing the tax rate imposed  
19 shall be mailed or delivered to the department within five days  
20 after the resolution is adopted.

21 Section 13. [NEW MATERIAL] REGIONAL TRANSIT GROSS RECEIPTS  
22 TAX--SPECIFIC EXEMPTIONS. --No regional transit gross receipts tax  
23 authorized under the Regional Transit Authority Act shall be  
24 imposed on the gross receipts arising from transporting persons or  
25 property for hire by railroad, motor vehicle, air transportation or

1 any other means from one point within the authority to another  
 2 point outside the authority, nor shall the tax be imposed on direct  
 3 satellite broadcasting or on gross receipts that are exempt by  
 4 federal law.

5 Section 14. [NEW MATERIAL] REGIONAL TRANSIT GROSS RECEIPTS  
 6 TAX--COLLECTION BY DEPARTMENT--TRANSFER OF PROCEEDS--DEDUCTION.--

7 A. The department shall collect the regional transit  
 8 gross receipts tax imposed pursuant to the provisions of the  
 9 Regional Transit Authority Act in the same manner and at the same  
 10 time it collects the state gross receipts tax.

11 B. The department may deduct an amount not to exceed  
 12 three percent of the regional transit gross receipts tax collected  
 13 under the provisions of the Regional Transit Authority Act as a  
 14 charge for the administrative costs of collection. That amount  
 15 shall be remitted to the state treasurer for deposit in the state  
 16 general fund each month.

17 C. The department shall transfer to each authority for  
 18 which it is collecting a regional transit gross receipts tax  
 19 pursuant to the provisions of the Regional Transit Authority Act  
 20 the amount of the tax collected for that authority, less any  
 21 disbursement for administrative charges made pursuant to Subsection  
 22 B of this section, tax credits, refunds and the payment of interest  
 23 applicable to the tax. The transfer to the authority shall be made  
 24 within the month following the month in which the tax is collected.

25 Section 15. [NEW MATERIAL] REGIONAL TRANSIT GROSS RECEIPTS

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1 TAX--ADMINISTRATION AND ENFORCEMENT OF ACT.--

2 A. The department shall interpret the provisions of the  
3 Regional Transit Authority Act with respect to the regional transit  
4 gross receipts tax authorized under that act.

5 B. The department shall administer and enforce the  
6 collection of the regional transit gross receipts tax authorized  
7 pursuant to the Regional Transit Authority Act, and the Tax  
8 Administration Act applies to the administration and enforcement of  
9 the regional transit gross receipts tax.

10 Section 16. [NEW MATERIAL] BONDS OF THE AUTHORITY--USE--  
11 SECURITY.--

12 A. The authority may issue and sell revenue bonds from  
13 time to time in principal amounts it considers necessary to provide  
14 sufficient funds for any purpose of the Regional Transit Authority  
15 Act, including:

16 (1) the acquisition of real and personal property  
17 whether by purchase or by exercising the power of eminent domain;

18 (2) the purchase, construction, reconstruction,  
19 repair, equipping, improvement or extension of a public transit  
20 system;

21 (3) the payment, funding, refinancing or  
22 refunding of the principal of or interest or redemption premiums on  
23 bonds and other indebtedness issued or incurred by the authority  
24 whether the bonds or interest to be paid, funded, refinanced or  
25 refunded have or have not become due;

1 (4) the establishment or increase of reserves or  
2 sinking funds to secure or to pay principal, premium, if any, or  
3 interest on bonds and reserves relating to the operation,  
4 maintenance and repair of a public transit system; and

5 (5) all other costs or expenses of the authority  
6 necessary or convenient to carry out its corporate purposes and  
7 powers.

8 B. Except as provided in Subsection D of this section,  
9 all bonds or other obligations issued by the authority shall be  
10 obligations of the authority payable solely from, and the authority  
11 is authorized to pledge, transfer and assign for the payment of the  
12 bonds:

13 (1) all or part of the net receipts of the  
14 regional transit gross receipts tax that is dedicated for the  
15 purpose for which the bonds are issued;

16 (2) any other revenue, income, money or funds of  
17 the authority from any source available for the payment of the  
18 bonds; or

19 (3) any grant, subsidy or contribution from the  
20 United States or any of its agencies or instrumentalities that may  
21 be used for the payment of bonds of the authority.

22 C. The bonds and other obligations of the authority  
23 shall not create an obligation, debt or liability of the state or  
24 any political subdivision of the state, including any governing  
25 body included in the authority. No breach of any pledge,

1 obligation or agreement of the authority shall impose a pecuniary  
2 liability or a charge upon the general credit or taxing power of  
3 the state or any political subdivision of the state, including any  
4 governing body included in the authority.

5 D. Revenues received by a municipality with a  
6 population of ten thousand or less, as determined by the last  
7 federal decennial census, from the levy of the gross receipts tax  
8 pursuant to the Regional Transit Authority Act shall not be pledged  
9 for bonds issued by an authority, but may be used for the operation  
10 and maintenance of the authority.

11 Section 17. [NEW MATERIAL] BONDS-- AUTHORIZATION FOR  
12 ISSUANCE-- TERMS AND CONDITIONS. --

13 A. Bonds of the authority shall be authorized by  
14 resolution of the board and may be issued in one or more series.  
15 The bonds shall bear the dates, be in the form, be issued in the  
16 denominations, have terms and maturities, bear interest at fixed or  
17 variable rates or have appreciated principal, be payable in the  
18 manner and at the times, be redeemed with or without premiums prior  
19 to maturity, be ranked or assigned priority status and have such  
20 other terms as the resolution of the authority or the trust  
21 agreement or other document securing the bonds provides.

22 B. The bonds issued by the authority may be sold at any  
23 time at private or public sale at prices agreed upon by the  
24 authority. The authority may contract with the New Mexico finance  
25 authority for issuance of bonds for short-term investment of funds.

1 C. Bonds may be issued pursuant to the Regional Transit  
2 Authority Act without obtaining the consent of any agency of the  
3 state and without any other proceeding or condition other than the  
4 proceedings or conditions specified in that act.

5 D. The bonds issued by the authority are negotiable  
6 instruments for all purposes of the Uniform Commercial Code,  
7 subject only to the provisions of the bonds for registration.

8 Section 18. [NEW MATERIAL] TRUST AGREEMENTS-- CREDIT  
9 FACILITIES-- RELATED DOCUMENTS. --

10 A. The authority may enter into trust agreements to  
11 better secure the payment of any bonds issued pursuant to the  
12 Regional Transit Authority Act with any corporate trustee and  
13 provide in the trust agreements for the rights and limitations on  
14 rights of the holders and owners of the bonds.

15 B. The authority may enter into credit facilities to  
16 provide additional security for its bonds or for a primary or  
17 contingent source of payment of or reimbursement for the principal  
18 of or interest or any redemption premium on the bonds, or the  
19 purchase price upon a tender or call of the bonds. The authority  
20 may enter into contracts for the purchase or repurchase of its  
21 bonds.

22 C. The authority may enter into reimbursement  
23 agreements, credit agreements, escrow agreements and other  
24 contracts and agreements as are necessary or appropriate for its  
25 bonds.

1           Section 19. [NEW MATERIAL] REFUNDING BONDS. --The authority  
2 is authorized to issue its bonds for the purpose of refunding any  
3 outstanding bonds, including the payment of any redemption premiums  
4 and any interest accrued or to accrue to the date of redemption of  
5 the outstanding bonds. Until the proceeds of the refunding bonds  
6 are applied to the purchase or retirement of the outstanding bonds  
7 or the redemption of the outstanding bonds, the proceeds may be  
8 placed in escrow and be invested and reinvested. The interest,  
9 income and profits, if any, earned or realized on any such  
10 investment may, in the discretion of the authority, also be applied  
11 to the payment of the outstanding bonds to be refunded. After the  
12 terms of any escrow agreement have been satisfied, any balance  
13 remaining in escrow, including investments earnings, may be  
14 returned to the authority for use by it in any lawful manner. All  
15 refunding bonds shall be issued and secured and shall be subject to  
16 the provisions of the Regional Transit Authority Act in the same  
17 manner and to the same extent as any other bonds issued pursuant to  
18 the Regional Transit Authority Act.

19           Section 20. [NEW MATERIAL] PUBLICATION OF NOTICE--  
20 VALIDATION--LIMITATION OF ACTION. --

21           A. After adoption of a resolution authorizing the  
22 issuance of bonds, the authority shall publish notice of the  
23 adoption of the resolution once in a newspaper of general  
24 circulation in the area in which the authority is located.

25           B. After the passage of thirty days from the time of

1 publication, any action attacking the validity of the proceedings  
2 or taken by the authority in the authorization and issuance of the  
3 bonds described in the notice is perpetually barred.

4 Section 21. [NEW MATERIAL] MANAGEMENT. --

5 A. Responsibility for the construction, management and  
6 operation of an authority and for control of the property belonging  
7 to an authority shall be vested in its board. The board may employ  
8 qualified persons deemed necessary by the board for the conduct of  
9 the affairs of the authority, including a general manager,  
10 bookkeeper, auditor and engineer.

11 B. The board shall provide for an annual audit of its  
12 affairs by an independent certified public accountant.

13 Section 22. [NEW MATERIAL] ANNUAL BUDGET. -- Prior to the  
14 beginning of a fiscal year, the board shall adopt an annual  
15 operating budget that specifies major expenditures by type and  
16 amount. The board shall furnish the local government division of  
17 the department of finance and administration with a copy of the  
18 budget for review and approval no later than June 1 of each year.

19 Section 23. [NEW MATERIAL] RULES AND REGULATIONS. --

20 A. The board may adopt and enforce reasonable rules and  
21 regulations necessary to conduct its business, including:

22 (1) securing and maintaining safety and  
23 efficiency in the operation and maintenance of its facilities;

24 (2) governing the use of the authority's  
25 facilities and services by the public and the payment of fares;

1 (3) regulating privileges on any land, easement,  
2 right of way or other property owned or controlled by the  
3 authority; and

4 (4) employing qualified persons as necessary to  
5 carry out the purpose of the Regional Transit Authority Act.

6 B. Regulations adopted by the board shall be published  
7 once a week for two consecutive weeks in a newspaper of general  
8 circulation in the area in which the authority is located. Rules  
9 and regulations shall become effective ten days following the last  
10 publication.

11 Section 24. [NEW MATERIAL] CONTRACTS FOR CONSTRUCTION,  
12 GOODS OR SERVICES. --The board shall establish purchasing  
13 guidelines, including rules governing a competitive bid process;  
14 provided that the board shall not secure a contract that is not  
15 subject to competitive bidding requirements or that is for the  
16 purchase of real property or for professional services until an  
17 announcement that a contract is being considered is posted in a  
18 prominent place in the principal office of the authority for at  
19 least two weeks before the contract is awarded.

20 Section 25. [NEW MATERIAL] CONDUCT OF ELECTIONS. --

21 A. Notwithstanding initial elections necessary to  
22 confirm the creation of an authority, board elections shall be  
23 conducted at the time of the general election under the direction  
24 of the municipal or county clerk and in accordance with the  
25 provisions of the Election Code.

1 B. Notice of the election shall be given by  
2 publication.

3 C. All polling places shall be within the area included  
4 within the authority.

5 D. The secretary of the authority shall provide to each  
6 municipal or county clerk supplies and assistance necessary to  
7 conduct an election for membership on the board, as authorized by  
8 the Regional Transit Authority Act.

9 Section 26. [NEW MATERIAL] EXEMPTION FROM TAXES. --The  
10 property, revenues and income of an authority and the interest on  
11 bonds issued by an authority shall be exempt from all taxes levied  
12 by the state and its political subdivisions.

13 Section 27. [NEW MATERIAL] CONSTRUCTION OF ACT. --The  
14 Regional Transit Authority Act shall be liberally construed to  
15 carry out the purpose of that act.

16 Section 28. A new section of the Tax Administration Act is  
17 enacted to read:

18 " [NEW MATERIAL] TRANSFER--REVENUES FROM REGIONAL TRANSIT  
19 GROSS RECEIPTS TAXES. --A transfer pursuant to Section 7-1-6.1 NMSA  
20 1978 shall be made to each regional transit authority for which the  
21 department is collecting a regional transit gross receipts tax in  
22 an amount equal to the net receipts attributable to the regional  
23 transit gross receipts tax imposed by that authority pursuant to  
24 the Regional Transit Authority Act less any deductions for  
25 administrative costs determined and made by the department pursuant

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1 to the provisions of that act."

2 Section 29. Section 6-14-2 NMSA 1978 (being Laws 1970,  
3 Chapter 10, Section 2, as amended) is amended to read:

4 "6-14-2. DEFINITIONS. --As used in the Public Securities Act:

5 A. "net effective interest rate" means the interest  
6 rate based on the actual price paid to a public body for its public  
7 securities, calculated to maturity according to standard tables of  
8 bond values;

9 B. "public body" means this state or any department,  
10 board, agency or instrumentality of the state, any county, city,  
11 town, village, school district, other district, educational  
12 institution or any other governmental agency or political  
13 subdivision of the state; and

14 C. "public securities" means any bonds, notes, warrants  
15 or other obligations now or hereafter authorized to be issued by  
16 any public body pursuant to the provisions of any general or  
17 special law enacted by the legislature, but does not include bonds,  
18 notes, warrants or other obligations issued pursuant to:

- 19 (1) the Industrial Revenue Bond Act;
- 20 (2) the County Improvement District Act;
- 21 (3) Sections 3-33-1 through 3-33-43 NMSA 1978;
- 22 (4) the Pollution Control Revenue Bond Act;
- 23 (5) the County Pollution Control Revenue Bond  
24 Act;
- 25 (6) the County Industrial Revenue Bond Act;

- 1 (7) the Metropolitan Redevelopment Code;
- 2 (8) the Supplemental Municipal Gross Receipts Tax
- 3 Act;
- 4 (9) the Regional Transit Authority Act;
- 5 [~~(9)~~] (10) the Hospital Equipment Loan Act; or
- 6 [~~(10)~~] (11) the New Mexico Finance Authority
- 7 Act. "

8 Section 30. Section 6-18-4 NMSA 1978 (being Laws 1983,  
 9 Chapter 161, Section 4, as amended) is amended to read:

10 "6-18-4. DEFINITIONS. -- As used in the Public Securities  
 11 Short-Term Interest Rate Act, unless the context otherwise  
 12 requires:

13 A. "bond" means any bond, debenture, note, refunding or  
 14 renewal bond or note, warrant or other security evidencing an  
 15 obligation authorized to be issued by a public body pursuant to any  
 16 provision of law of this state, including the Public Securities  
 17 Short-Term Interest Rate Act;

18 B. "governing body" means the city council or other  
 19 body or officer of a public body in which the legislative powers  
 20 are vested;

21 C. "indebtedness" means any debt evidenced by a bond  
 22 issued by a public body pursuant to any law of this state that  
 23 constitutes a debt for the purposes of Section 12 or 13 of Article  
 24 9 of the constitution of New Mexico and the issuance of which must  
 25 be submitted to a vote of the qualified electors of the public body

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1 pursuant to those sections and any bond issued for the purpose of  
2 paying or refunding any such bond;

3 D. "bond legislation" means an ordinance or a  
4 resolution or other appropriate enactment adopted by a governing  
5 body [~~of a public body~~] providing for the authorization or sale of  
6 bonds and any trust agreement, credit agreement, letter of credit,  
7 reimbursement agreement or other credit facility, dealer agreement,  
8 issuing or paying agent agreement, purchase commitment agreement,  
9 escrow agreement, remarketing agreement, index agent agreement or  
10 other agreement with respect to the bonds to which the public body  
11 or trustee for the bonds is a party; and

12 E. "public body" means any municipality, any county,  
13 any school district, any special district, any H class county  
14 [~~located in New Mexico~~], the New Mexico hospital equipment loan  
15 council, state institutions enumerated in Section 6-13-2 NMSA 1978,  
16 the water quality control commission, the state board of finance,  
17 the New Mexico finance authority, a regional transit authority  
18 created pursuant to the Regional Transit Authority Act or the  
19 state."

20 Section 31. EFFECTIVE DATE. --The effective date of the  
21 provisions of this act is July 1, 1997.

**State of New Mexico  
House of Representatives**

**FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997**

**March 14, 1997**

**Mr. Speaker:**

Your TAXATION AND REVENUE COMMITTEE, to whom has  
been referred

HOUSE BILL 669, as amended

has had it under consideration and reports same with  
recommendation that it DO NOT PASS, but that

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE  
FOR HOUSE BILL 669

be reported WITHOUT RECOMMENDATION.

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTRC/HB 669

HTRC/CSHB 669

Page 68

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Respectfully submitted,

\_\_\_\_\_  
Jerry W. Sandel, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 4 Against

Yes: 6

No: Gonzales, Porter, Russell, Ryan

Excused: Lujan, Sandoval, Sandel

Absent: None

M \H0669

# **State of New Mexico House of Representatives**

**FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997**

**March 14, 1997**

**Mr. Speaker:**

**Your TAXATION AND REVENUE COMMITTEE, to whom has  
been referred**

**HOUSE BILL 669, as amended**

**has had it under consideration and reports same with  
recommendation that it DO NOT PASS, but that**

**HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE  
FOR HOUSE BILL 669**

**be reported WITHOUT RECOMMENDATION.**

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTRC/HB 669

HTRC/CSHB 669

Page 70

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Respectfully submitted,

\_\_\_\_\_  
Jerry W. Sandel, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 4 Against

Yes: 6

No: Gonzales, Porter, Russell, Ryan

Excused: Lujan, Sandoval, Sandel

Absent: None

M \H0669

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

1 HTRC/CSHB 669

Page 71

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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March 17, 1997

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10 Mr. President:

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Your WAYS AND MEANS COMMITTEE, to whom has been referred

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HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 669

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has had it under consideration and reports same with  
recommendation that it DO PASS, and thence referred to the  
FINANCE COMMITTEE.

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Respectfully submitted,

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Carlos R. Cisneros, Chairman

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTRC/HB 669

1 HTRC/CSHB 669

Page 72

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3 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
4 (Chief Clerk) (Chief Clerk)

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Date \_\_\_\_\_

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9 The roll call vote was 7 For 0 Against

10 Yes: 7

11 No: 0

12 Excused: McSorley, Nava

13 Absent: None

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